1 OVERVIEW
Where QSL markets Raw Sugar, the price it returns to the Participants which supplied that Raw Sugar is calculated in accordance with pooling arrangements, involving the sharing among Participants of costs incurred and revenues received by QSL.

The Net IPS Price to be paid by QSL to OSA Participants and RSSA Participants for Raw Sugar allocated to a QSL Pricing Pool will consist of two elements:

(a) the Gross Price Element (being an AUD price per Tonne IPS for an individual QSL Pricing Pool determined in accordance with the Pricing Pool Terms for that QSL Pricing Pool); and

(b) the Shared Pool Element (being an AUD allocation of net costs or revenues per Tonne IPS applied to each Tonne IPS).

The total payment due to a Participant in respect of a QSL Pricing Pool is the Participant’s Tonnes IPS Raw Sugar allocated to the QSL Pricing Pool multiplied by the Participant’s Net IPS Price for the QSL Pricing Pool Terms.

The key features of this QSL February 2020 Guaranteed Floor Pool are:

(a) QSL Marketed Pool – QSL is responsible for marketing the Raw Sugar allocated to this QSL February 2020 Guaranteed Floor Pool.

(b) Committed Pool – such that:
   (i) financial consequences relating to the unwinding of pricing positions or cancellation of sales will be passed on to a Participant for any failure to deliver Raw Sugar allocated to this QSL February 2020 Guaranteed Floor Pool (see the Common Pool Terms for further details);
   (ii) the Commitment Limit, which limits the total amount of Raw Sugar a Participant can allocate to Committed Pools, may limit the allocation able to be made to this QSL February 2020 Guaranteed Floor Pool (see the Common Pool Terms for further details);

(c) A Pricing Platform Pool – such that the provisions of the Common Pool Terms applicable to Pricing Platform Pools apply to allocations and pricing of Raw Sugar in this QSL February 2020 Guaranteed Floor Pool;

(d) An ICE 11 Pool – such that the Gross Price Element is determined by reference to USD revenue derived through selling ICE 11 futures contracts; and

(e) QSL as Risk Manager – such that QSL is the entity responsible for pricing the ICE 11 price component of the Gross Price and the AUD/USD exposure represented by that ICE 11 price component for all tonnage committed to this QSL February 2020 Guaranteed Floor Pool;

The minimum gross price (the guaranteed floor price) will be published on QSL’s website prior to the commencement.

Nominations to allocate Raw Sugar to this QSL February 2020 Guaranteed Floor Pool for the 2020 Season can be made by Participants commencing on 5 February 2020 up until 4:00pm Brisbane time 20 February 2020.

The minimum gross price (the guaranteed floor price) will be published on QSL’s website prior to the commencement.

Nominations to allocate Raw Sugar to this QSL February 2020 Guaranteed Floor Pool for the 2020 Season can be made by Participants commencing on 5 February 2020 up until 4:00pm Brisbane time 20 February 2020.

The key features of this QSL February 2020 Guaranteed Floor Pool are:

(a) QSL Marketed Pool – QSL is responsible for marketing the Raw Sugar allocated to this QSL February 2020 Guaranteed Floor Pool.

(b) Committed Pool – such that:
   (i) financial consequences relating to the unwinding of pricing positions or cancellation of sales will be passed on to a Participant for any failure to deliver Raw Sugar allocated to this QSL February 2020 Guaranteed Floor Pool (see the Common Pool Terms for further details);
   (ii) the Commitment Limit, which limits the total amount of Raw Sugar a Participant can allocate to Committed Pools, may limit the allocation able to be made to this QSL February 2020 Guaranteed Floor Pool (see the Common Pool Terms for further details);

(c) A Pricing Platform Pool – such that the provisions of the Common Pool Terms applicable to Pricing Platform Pools apply to allocations and pricing of Raw Sugar in this QSL February 2020 Guaranteed Floor Pool;

(d) An ICE 11 Pool – such that the Gross Price Element is determined by reference to USD revenue derived through selling ICE 11 futures contracts; and

(e) QSL as Risk Manager – such that QSL is the entity responsible for pricing the ICE 11 price component of the Gross Price and the AUD/USD exposure represented by that ICE 11 price component for all tonnage committed to this QSL February 2020 Guaranteed Floor Pool;
Minimum tonnage – The minimum tonnage of Raw Sugar that can be nominated to this QSL February 2020 Guaranteed Floor Pool is 10 metric tonnes. Participants must specify the Raw Sugar allocated to the QSL February 2020 Guaranteed Floor Pool in whole multiples of 10 metric tonnes.

Minimum aggregate tonnage – This QSL February 2020 Guaranteed Floor Pool many be cancelled at QSL’s discretion if the total tonnage allocated to this Pool does not reach 1000 Tonnes Actual by the date for cessation of nominations. Should this pool be cancelled, tonnage will be reallocated to another pool in accordance with clause 5.3 of these Pricing Pool Terms.

Participants will have the option of receiving the Standard Advances Program as per clause 6 of the QSL Common Pool Terms or an Accelerated Advances Program.

For participants selecting the Accelerated Advances profile for the QSL February 2020 Guaranteed Floor Pool, advances shall be payable in accordance with the following profile, which is an advances program specific to the QSL February 2020 Guaranteed Floor Pool (in accordance with clause 6 of the Common Pool Terms):

i) Participants will receive advance payments from QSL in the Season the Raw Sugar is delivered. Payments in the year of delivery from May in which the Season commences to November will be made in accordance with the advance payments profile as determined by the QSL board;

ii) In December of the relevant crushing Season the advance rate for the QSL February 2020 Guaranteed Floor Pool is guaranteed to be a minimum of 90% of the then-estimated Net IPS Price; and

iii) No further payments will be made for this pool after that payment until the advance rate for all other QSL Pools exceeds 90%.

iv) The additional finance costs associated with this Accelerated Advances profile will be allocated to the Participant via a specific allocation in the QSL Shared Pool in accordance with clause 2.8 (g) of the QSL Shared Pool Terms.

3 COMPARISON OF RISK PROFILE TO PASSIVE MANAGEMENT BENCHMARK

Please refer to the Grower Handbook for QSL’s assessment of how the risk of the pricing strategy of QSL’s Guaranteed Floor Pools compares to the Passive Management Benchmark (which assumes pricing is undertaken in a routine manner by following an evenly spread sales pattern, adjusted for applicable constraints such as infrastructure, storage and the time available to price).

4 GROSS PRICE ELEMENT

The Gross Price Element in this QSL February 2020 Guaranteed Floor Pool is determined based on the pricing conducted by ICE 11 Contracts executed on the ICE or in the OTC swap market (see clause 5 below).

This USD revenue stream derived from the ICE 11 or swap contracts will be converted to AUD under the pricing policy applied by QSL.

5 QSL FEBRUARY 2020 GUARANTEED FLOOR POOL PRICING

5.1 SETTING THE GUARANTEED FLOOR PRICE

The minimum gross price to be achieved by this QSL February 2020 Guaranteed Floor Pool (the guaranteed floor price) will be set as a gross AUD price per Tonne Actual basis for the ICE 11 component of pool returns.

At 11am on each business day during February 2020 QSL will publish on QSL’s website an indicative estimate of the guaranteed floor price for this pool.

The actual guaranteed floor price will then be set on the ICE 11 trading session on 20 February 2020. This QSL February 2020 Guaranteed Floor Pool will only proceed if, in the first trading session on 20 February 2020 for this pool, QSL can achieve pricing for Raw Sugar allocated to this Pool which is no more than $10 lower than the last published indicative estimate of the guaranteed floor price for this pool. For example, on the day 20 February 2020 the QSL indicative estimate on that day at 11am is $500/Tonne Actual, this QSL February 2020 Guaranteed Floor Pool will only proceed if QSL can achieve a guaranteed floor price of $490/Tonne Actual or more.

Should this QSL February 2020 Guaranteed Floor Pool not proceed for the 2020 Season due to QSL being unable to obtain the required pricing level in the trading session on 20 February 2020 or there being insufficient liquidity, this pool will be cancelled and the tonnage re-allocated to another pool in accordance with clause 5.3.
5.2 PRICING

QSL will manage pricing in the ICE 11 market.

Initial pricing will occur on the ICE 11 trading session on 20 February 2020 (subject to being able to secure the guaranteed floor price as per clause 5.1) and the pricing period for participation in positive daily settlements will run from the next business day until 30 April 2021.

This QSL February 2020 Guaranteed Floor Pool will be priced in a 1:2:2:1 ratio as follows:

<table>
<thead>
<tr>
<th>ICE 11 Contract</th>
<th>July 2020</th>
<th>October 2020</th>
<th>March 2021</th>
<th>May 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ratio</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>1</td>
</tr>
</tbody>
</table>

5.3 INABILITY TO OBTAIN GUARANTEED FLOOR PRICE

If QSL is unable to achieve the desired guaranteed floor price under clause 5.1 or receives insufficient nominations as per clause 2(g) of these Pricing Pool Terms, the pool will be cancelled and the Participant may (in the case of OSA Participants, on request of the relevant Grower which made the election to allocate the relevant GEI Sugar to this QSL February 2020 Guaranteed Floor Pool) reallocata the tonnage to a current season QSL Marketed Committed Pool.

If a Participant does not make such an election, the Raw Sugar of the Participant allocated to this QSL February 2020 Guaranteed Floor Pool is reallocated to the QSL Harvest Pool (see the QSL Harvest Pool Pricing Pool Terms for details of the operation of the QSL Harvest Pool).

6 QSL COMMON POOL TERMS

The QSL Common Pool Terms are a set of terms that apply to all QSL Pricing Pool Terms.

They form part of the terms of participating in this QSL February 2020 Guaranteed Floor Pool Pricing Pool as if they were set out in full in these QSL February 2020 Guaranteed Floor Pool Pricing Pool Terms.

7 GLOSSARY

Capitalised terms used in these QSL February 2020 Guaranteed Floor Pool Pricing Pool Terms have the meaning set out in the Pool Terms Glossary.

8 WHO TO CONTACT?

If you have any queries in relation to these QSL February 2020 Guaranteed Floor Pool Pricing Pool Terms, please do not hesitate to contact the QSL Finance Team by emailing info@qsl.com.au or calling (07) 3004 4400.

Disclaimer: As described in this Pricing Pool Terms document (the Terms), you should not make a decision based on these Terms unless you have read and understood the other Pricing Pool Term documents referred to in the Terms. These Terms do not constitute financial, investment or product advice, a risk management strategy, or a recommendation to allocate Raw Sugar to any Pricing Pool described in the Terms. You should therefore seek your own financial advice before making any decisions in relation to the Pricing Pools.

FURTHER INFORMATION

For more information contact:
Queensland Sugar Limited
Level 12 348 Edward Street  Brisbane QLD 4000
GPO Box 891  Brisbane QLD 4001
Telephone +61 7 3004 4400  Email info@qsl.com.au  www.qsl.com.au

Current as of 3 February 2020.